

The Gazette of India

EXTRAORDINARY

PART I—Section 1

PUBLISHED BY AUTHORITY

No. 67] NEW DELHI, MONDAY, JUNE 30, 1958/ASADHA 9, 1880

MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

CEMENT PRICES

New Delhi, the 30th June, 1958

No. Cem-8(5)/58.—In their Resolution No. Cem-8(5)/57, dated the 12th/14th January, 1957, the Government of India being of the opinion that a fresh examination of the cost of production in each of the cement factories and the fair prices payable to the cement producers was necessary, requested the Tariff Commission to conduct an inquiry. The Commission on conclusion of its enquiry has submitted its report. The main recommendations of the Commission are as follows:—

(a) The final fair ex-works prices of naked cement should be fixed as below:—

	<i>Rs. per ton</i>
(i) A.C.C.	58·00
(ii) Andhra Cement	65·00
(iii) Ashoka	65·00
(iv) Bagalkot	62·50
(v) Dalmia Bharat	54·50
(vi) Dalmia Dadri	56·50
(vii) Digvijay	56·50
(viii) India Cements	60·50
(ix) Jaipur Udyog	57·00
(x) Kalyanpur	59·00
(xi) Mysore Iron	58·50
(xii) Orissa Cement	55·50
(xiii) Rohtas	54·50
(xiv) Sone Valley	59·00
(xv) Travancore Cements	80·50
(xvi) U P. Factory	57·00

(b) The ex-works prices recommended should be in force from the 1st January, 1958, to the 31st December, 1960, except in the case of Dalmia Cement (Bharat) Ltd., the price in respect of which should be in force till the end of 1959, before which date a fresh examination of its costs should take place.

(c) The case of each new unit to be established in future should be taken up for cost investigation individually as soon as it goes into production and is able to provide data relating to costs and consumption for a period of at least three months.

(d) Whenever there is a general increase in the controlled pit head prices of coal a reference should be made to the Commission in regard to the extent to which the price applicable to each unit should be increased.

(e) The system of rebates allowed by cement producers to the Central and State Governments in the price of cement supplied to them should be abolished. Alternatively, the State Trading Corporation should be asked to pay the rebates.

(f) The use of second-hand bags for packing cement should be discontinued in future.

(g) Government should undertake a re-assessment of the price at which cement is made available to consumers.

(h) Rehabilitation allowance should be given only to those units which have plant and equipment installed prior to 1949, and the rules governing the segregation of these amounts and their utilisation may be the same as were applicable to the rehabilitation allowance granted hitherto.

(i) Only such expansion schemes as are likely to materialise during the years 1958 to 1960 should be taken into account and included in the qualifying data for the purpose of determining the cost of production.

2. The Government of India generally agree on the principles adopted by the Commission for determining the cost of production of cement and they accept the recommendations specified above, subject to the modifications indicated in paragraphs 3 to 7 below.

3. In view of the facts that—

(a) giving retrospective effect to the Tariff Commission's recommendations would involve administrative and financial complications, and

(b) the present arrangements and prices under the Cement Control Order are effective till the 30th June, 1958.

the revised prices will take effect from the 1st July, 1958.

4. Rebates under rate contract for supply of cement to the Central and State Governments will no longer be payable by the producers, but such rebates will be paid by the State Trading Corporation on such terms as may be agreed upon. Any concessions outside the rate contract on the basis of separate agreements with the Central Government or State Governments will continue to be dealt with between the parties direct.

5. In the case of India Cements Ltd., the estimate of the cost of production is based on the assumption that 75 per cent. of the requirements of coal shall be supplied by sea-route and 25 per cent. by rail route. While this has reference to the condition stipulated in the licence for expansion of this factory and the actual modes of transport adopted in the past, it is not unlikely that the position regarding transport may change in the future. In the event of significant variations Government would review the price now allowed to this Company.

6. In the case of the U.P. Government Cement factory and the Sone Valley Portland Cement Co., Ltd. although an expansion of their capacity is envisaged, it was not known at the time of the Tariff Commission enquiry whether their additional capacity would be established during the price fixation period. It is, however, now understood that these factories are going ahead with their expansion plans. In case, therefore, their expansion is likely to materialise within the price fixation period, the costs of these units would be re-examined and re-assessed well in time.

7. The prices as revised will remain in force until the 30th June, 1961.

8. The arrangements set out above do not necessitate any change in the f.o.r. destination price of cement now in force, namely, Rs. 117.50 per ton.

9. The other recommendations made by the Commission have also been accepted by Government.

ORDER

Ordered that a copy of this Resolution be communicated to all concerned and that it be published in the *Gazette of India*.

S. RANGANATHAN, Secy.

